

The initial difficulty arises from the fact that we currently have over 100 retail outlets located in over 40 states. As a result, we are already providing a multitude of information to each state (and in some instances, each municipality). These reporting requirements include, but are not limited to, payroll, income, property, sales and use taxes, worker's compensation, property and liability insurance, annual reports and franchise returns. Along with these requirements come the inevitable compliance audits. These reporting requirements, that are merely a cost of doing business in each locality, considerably increase our administrative costs.

Furthermore, over the past two years, our form of business organization has changed. Late in 1993, our company became subject to The Security and Exchange Commission's reporting requirements as defined in The Securities Exchange Act of 1934. To satisfy these reporting requirements, we have had to stretch our resources further.

As a company, we view our circumstances not as excuses, but rather as evidence that governmental controls can sometimes create more of a burden to certain businesses instead of a benefit. Certainly, the letter of the law can require us to continue to report the requested information or incur the penalties. However, in keeping with the spirit of the law, we respectfully submit this letter as a plea to be relieved of our Census Bureau reporting requirements.

Thank you for your consideration in this matter.

Best regards,

W. JAMES SQUIRE III, CFE,  
Senior Vice President—Franchising.

#### THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt, now about \$25 billion short of \$5 trillion, has been fueled for a generation by bureaucratic hot air; it is sort of like the weather, everybody has talked about it but almost nobody did much about it. That attitude began to change immediately after the elections in November 1994.

When the new 104th Congress convened this past January, the U.S. House of Representatives quickly approved a balanced budget amendment to the U.S. Constitution. On the Senate side, all but one of the 54 Republican Senators supported the balanced budget amendment.

That was the good news. The bad news was that only 13 Democrat Senators supported it, and that killed the balanced budget amendment for the time being. Since a two-thirds vote—67 Senators, if all Senators are present—is necessary to approve a constitutional amendment, the proposed Senate amendment failed by one vote. There will be another vote during the 104th Congress.

Here is today's bad debt boxscore:

As of the close of business Monday, October 16, the Federal debt—down to the penny—stood at exactly \$4,967,827,640,196.29 or \$18,857.96 for every man, woman, and child on a per capita basis.

#### BIOTECHNOLOGY PROCESS PATENTS

Mr. HATCH. Mr. President, this afternoon, the House gave final ap-

proval to S. 1111, a bill Senator KENNEDY and I have authored to remove barriers to the patenting of biotechnology processes by establishing a modified examination by the U.S. Patent and Trademark Office [PTO] of those patent applications.

Passage of this legislation is a tremendous testament to the foresight and capabilities of our House colleague, Representative CARLOS MOORHEAD, chairman of the House Judiciary Subcommittee on Courts and Intellectual Property. Chairman MOORHEAD drafted the original legislation this session, H.R. 587, which was approved in committee on June 7, 1995.

The bill now goes to the President for signature.

Mr. President, under the provisions of S. 1111, if a claimed biotechnology process uses or produces a patentable composition of matter, the process will be presumed nonobvious for the purpose of examining the process. This modified examination will resolve delays and inconsistent determinations faced by biotechnology patentees under present PTO practices, and thereby increase innovation and stimulate the development of new products and processes.

For the edification of my colleagues, I want to take this historic opportunity to explain the purpose of the bill and the need for the legislation.

Biotechnology: The Office of Technology Assessment defines biotechnology as "any technique that uses living organisms—or substances from those organisms—to make or modify products, to improve plants or animals, or to develop microorganisms for specific uses."

Biotechnology, in the sense of genetic manipulation, has been practiced by man for many hundreds of years. It has been used successfully by plant breeders in developing schemes for crossing plants to introduce and maintain desirable traits in various crops such as wheat or maize. Bakers and beverage producers have used yeast, a fungus, for leavening dough and for fermentation.

Today, the practice of biotechnology is far more powerful, with promising applications in diverse industries ranging from pharmaceuticals, agriculture and nutrition to environmental clean-up, new energy resources and law enforcement.

Some examples of widely known products made with the use of biotechnology include insulin, human growth hormone, home pregnancy tests, tests for diagnosing human immunodeficiency virus (HIV), vaccine against the Hepatitis B virus, and high-protein yielding corn.

The dramatic breakthroughs and future promises of biotechnology became possible in the 1950's when scientists James Watson and Francis Crick discovered the structure of DNA, or deoxyribonucleic acid. Ironically, neither scientist seemed aware that their discovery would give birth to an entire

new generation of technology. In a March 12, 1953, letter to Max Delbruck, Watson wrote:

In the next day or so Crick and I shall send a note to Nature proposing our structure (of DNA) as a possible model, at the same time emphasizing its provisional nature and the lack of proof in its favor. Even if wrong, I believe it to be interesting since it provides a concrete example of a structure composed of complementary chains. If, by chance, it is right, then I suspect we may be making a slight dent into the manner in which DNA can reproduce itself.

The discovery of DNA put more than a slight dent in our knowledge of basic biology; it became the basis of a new, promising industry that has led to significant breakthroughs in the ability to improve human life.

DNA, known as the ultimate molecule of life, contains the codes that instruct cells to grow, to differentiate into specialized structures, to duplicate, and to respond to environmental changes.

DNA guides the special functions of cells by directing the synthesis of proteins. A gene, which is comprised of a specific section of DNA, contains the special instructions the cell needs to synthesize proteins. Proteins give living organisms their unique characteristics. Some proteins give the organism its structure; others mediate the many biochemical reactions that occur within the body and are necessary for organisms to function.

The DNA code for certain genes is sometimes defective. The defect may have been present at birth or later developed due to other factors such as infection, age, or exposure to ultraviolet light. When a defect occurs, the code for the synthesis of proteins is scrambled and causes the cell to produce either a defective protein or no protein at all. If the function of this defective protein is important, this can have serious consequences for the health of the organism. For human beings, the deficiency in the protein may lead to tragic disabilities like cancer and arthritis, or even lead to death. For corn and other agricultural crops, the incorrect protein may lead to limited resistance to insects or extinguishment of the crop all together.

Once scientists determine which specific protein performs which function in an organism, they, with the aid of biotechnology, are able to effectively fight disease and other abnormalities. For example, when the absence of a certain regulatory protein leads to cancer, it is possible to stop the growth of cancerous cells by replacing the defective gene with a normal one that would produce the necessary protein in the body.

It is also possible to reproduce the normal protein in another organism and then supply it in the human body. The technology enabling this method is known as recombinant DNA technology. A well-known example of such a method is the process used to produce insulin. Insulin is produced in mass quantities in microorganisms and then